

The Kurdish Quasi-State: Leveraging Political Limbo

Prior to the takeover of Mosul by the Islamic State of Iraq and al-Sham (ISIS) in June 2014, political pundits, the media, and some Kurds were predicting imminent Kurdish statehood. They argued that Kurds do not feel attached to Iraq but to their own distinct territory, language, peshmerga (militia) forces, resources, and political institutions. A variety of factors fuelled these predictions including the dysfunctional Iraqi state, Syrian crisis, shifts in Turkish policy toward Iraqi Kurds, and a 'booming' Kurdish economy powered by hydrocarbons development. Yet instead of secession, the Kurdistan Regional Government (KRG) has reaffirmed its commitment to a federal Iraq. Not only have KRG leaders agreed, once again, to sell Kurdish crude via the Iraqi State Oil Marketing Company (SOMO) even in part, but they are coordinating with the U.S.-led Coalition, Iraqi Security Forces (ISF), and Shi'a militias to counter ISIS. What explains this political shift, and what does it imply about Baghdad–Erbil relations and the Kurdistan Region's strategic role in Iraq and the region?

Dramatic swings in the Kurdistan Region's behavior underline its condition as a quasi-state, a political entity with no external sovereignty but large internal sovereignty. Like other quasi-states of its kind, it thrives off a weak central government, nationalist sentiment, external patronage, and international recognition.¹ The particularities of its geopolitical context also shape Kurdish

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quasi-statehood, as it is both a landlocked territory and a region within a fragmented Iraqi state. This distinct political geography means that the KRG's policies not only affect and are affected by Baghdad, but also involve the threat perceptions, economic aims, and security priorities of Ankara, Tehran, and Damascus. It also means that leveraging Kurdish interests in a weak, federal Iraq is part of multi-level, interrupted processes that include sub-state actors with shared or competing interests with the KRG.

The key question, therefore, is not whether the Kurdistan Region will or should become independent, but how it benefits from political stalemate and the extent to which it can leverage political processes and outcomes in Iraq. This article will examine the KRG's influence as a political entity that is both autonomous and dependent on the Iraqi government, regional states, and sub-state actors. The first section will assess the changing nature and conditions of KRG autonomy in the Iraqi state. The next sections will analyze how the KRG attempts to leverage its interests in three key areas—energy and economic development, territorial claims, and security issues—and what results those strategies have yielded. A concluding section will assess the implications on regional stability, especially given players like Iran and Turkey.

Weakened Iraq: Emergent Quasi-State

The autonomous Kurdistan Region may be a by-product of failed Iraqi state-building policies, but it has evolved gradually over decades, in negotiation with and against the central government. In fact, it was former Iraqi president and dictator Saddam Hussein who officially recognized the Kurdish Autonomous Region in the March 1970 Autonomy Agreement, although under an imperfect

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arrangement that left it more a dependent entity than an autonomous actor.² The post-Gulf War context gradually shifted this status as the Iraqi state was weakened by sanctions, Kurds gained access to international humanitarian and security assistance as victims of Saddam, and the first elected KRG was formed in 1992. Still, the Kurdistan Region remained unrecognized, relatively weak, and unstable. It was administratively disconnected from Baghdad, dependent on foreign aid and an oil smuggling economy, and mired in an internal civil

war between Masoud Barzani's Kurdistan Democratic Party (KDP) and Jalal Talabani's Patriotic Union of Kurdistan (PUK). Throughout the 1990's, the two Kurdish administrations in Erbil and Suleymaniya focused more on local, party, and tribal interests than on advancing a coherent Kurdish nationalist agenda.

Changes in the nature of the Iraqi state after 2003 significantly altered the Kurdistan Region's political leverage. By creating a weak federal Iraq codified in the ambiguous 2005 constitution, post-Saddam state-builders reconfigured the balance of power and opportunity structures in the state. While disenfranchising Sunni Arabs who had run Iraq for nearly 80 years, the constitution gave Shi'a and Kurds access to new authorities. It recognized the KRG as a distinct political entity with its own rights and large revenue-base in Iraq. The constitution allocates 17 percent of the national budget to the Kurdistan Region based on population percentages (13 percent after deductions), and from 2005–2014 the KRG budget increased from about \$2.5 billion to \$13 billion, reflecting the increase in Iraqi oil sales and world oil prices. Federalism's power-sharing arrangements based on ethnic and sectarian group quotas also extended Kurdish influence in Baghdad. For instance, Talabani became Iraqi president and was succeeded by PUK official Fuad Masum in 2014. Barham Salih—formerly a prime minister of Kurdistan—became Deputy Prime Minister of Iraq. KDP official Hoshiy Zibari served as Foreign Minister and is now Minister of Finance. The Kurds also benefitted from the Sunni Arab boycott of the Iraqi government from 2005–2009, which gave them control of key provincial councils in disputed territories, including Kirkuk and Mosul.³

Equally important is how the KRG has attempted to strategically project power and influence in post-Saddam Iraq as well as the region. Following the logic of quasi-state behavior, it has profited from political limbo by taking advantage of the weak Iraqi state to strengthen its international recognition and internal sovereignty. This effort has focused on

The KRG has profited from political limbo.

enhancing foreign support and nationalist sentiment through economic and energy sector development, territorial expansion, and securing KRG borders. The aim has been to develop an autonomous revenue source within an expansive territory that could help the KRG eventually realize independence.

Leveraging Political Stalemate...

To this end, for the past decade the KRG has pursued a fast-track hydrocarbons-driven development plan to leverage Baghdad. Although about 80 percent of Iraq's oil production and exports are from southern Iraq, the KRG discovered and developed its own hydrocarbons resources after Saddam was deposed, to include significant although unproven oil and gas fields in the disputed territories.⁴ It also set out to construct its own oil and pipeline infrastructure, since the existing Iraqi Turkish Pipeline (ITP) that extends northward to

Turkey's Ceyhan port and all oil contents that flow from it is officially the property of the Iraqi government.⁵ Even though the Feshkabur metering station and one part of the ITP runs through the Kurdistan Region, oil production and exports through the northern corridor are based on the Iraqi–Turkish Pipeline agreement, re-negotiated in 2010, which ascertained SOMO's control of sales and marketing of Iraqi oil to Turkey.

Still, the KRG was able to advance its energy sector development due to the ambiguity of the constitution, and the absence of a National Hydrocarbons Law (NHL) or a revenue-sharing law. Driven by a strong nationalist current, the Kurdish energy agenda also benefitted from Iraq's political vacuum, ongoing security crises, and increasing sectarian tensions between Sunni and Shi'a groups. By 2007, in this uncertain legal and political context and after unsuccessful attempts to resolve contentious energy and revenue issues with Baghdad, the KRG asserted its own interpretation of authorities over resources.⁶ Instead of completely replicating existing Iraqi oil laws and institutions, the KRG developed its own liberal investment and hydrocarbons law to attract international oil companies (IOCs) and private sector investment, although with nationalist underpinnings. The Kurdistan Region Oil and Gas Law (2007), for instance, created various Kurdish parastatals to assure that the control and marketing of Kurdish crude remains under the auspices of the KRG, and not a free market economy.⁷ Kurdish officials also pressed ahead, despite threats from Baghdad and blacklists of companies, and completed their own 300,000-barrel per day (bpd) oil pipeline inside the Kurdistan Region in 2013, which they eventually connected to the ITP on the Turkish side of the border. In the attempt to more fully control the ITP and circumvent Baghdad, the KRG also unilaterally blocked the pipeline's ability to access Iraqi oil flowing northward from Kirkuk.

This ambitious effort has required Turkish buy-in, particularly since Turkey represents the only official, direct transit route for Kurdish hydrocarbons through the ITP to Mediterranean ports. Since 2008, the KRG has strategically embedded Turkish businesses and investors into the region's construction, banking, and energy sectors in order to consolidate shared commercial interests. By 2013, more than half the 2,500 foreign companies in the Kurdistan Region were Turkish-owned. About 85 percent of KRG trade activities comprised imports from Turkey, valued at over \$10 billion.⁸ These ties overlap with shared border security and personal relations that developed between KRG President Masoud Barzani and Turkish President Recep Tayyip Erdogan. With the Kurdistan Worker's Party (PKK) lodged in the Qandil Mountains of the Kurdistan Region, southeastern Turkey, and northeastern Syria, both Barzani and Erdogan had mutual interests to check PKK influence and control borders. The PKK's radical nationalist tendencies remained a threat to Turkey's territorial integrity, as well as Masoud Barzani's aim to become the

leader of all Kurds and the Kurdish nationalist movement across borders. Erdogan also hoped to form a Sunni Muslim sphere of influence in Iraq based on a Turkish–Kurdish–Sunni Arab alliance, as both Turkey and the Kurds are majority Sunni Muslim.

Iraqi Kurdish leaders have further used their energy card to mobilize Kurdish nationalism and market their economic and political agenda at home. Although the KRG and Baghdad made sporadic efforts to internationally export Kurdish crude through the ITP under SOMO's authority, these deals eventually broke down over payment and export disagreements. As a result of these failed attempts, as well as rising tensions between Barzani and then-Iraqi Prime Minister Nouri al-Maliki and the presence of IOC majors in the Kurdistan Region, by early 2014 Barzani and the KDP became increasingly risk averse. Instead of attempting to sell Kurdish crude through SOMO, they were actively promoting the idea of independent oil exports as a “Kurdish nationalist right.”⁹ The dominant sentiment among Kurdish officials and populations had become one of victimization and resisting Baghdad through the KRG's oil export policy. Even the Gorran movement—a Kurdish political party that resists the ruling two-party KRG and its corruptive practices and which had initially endorsed Kurdish exports only with Baghdad's authorization—slightly modified its hydrocarbons policy so as not to appear anti-Kurdish.¹⁰

The increasingly centralized Kurdish national agenda under Barzani leadership also capitalized on Iraq's weakness to expand its territorial reach. The KRG may have projected itself as a victim of Maliki, but it benefited from the instability in Iraq, Sunni Arab fragmentation, and growing sectarianism in the country. Reacting to the security vacuum left in northern Iraq's disputed territories since 2003 and Baghdad's failure to constitutionally resolve Article 140—involving the jurisdiction and authority over certain disputed areas, like Kirkuk, which the Kurds claim as their own—the KRG peshmerga gradually asserted *de facto* control over parts of the territories and their hydrocarbons resources.¹¹ To ensure international support and security in these contentious areas, and further develop an independent Kurdish economy that could leverage Baghdad, Kurdish officials strategically awarded production-sharing contracts (PSCs) and other energy agreements to leading U.S. IOCs, such as Exxon-Mobil and Hunt Oil in Ninewah and Kirkuk—territories that were not legally part of the Kurdistan Region.

The KRG has also engaged in demographic engineering to consolidate control over the disputed territories. Since 2003, Kurdish officials have “Kurdified” the territories by expelling some Yezidi and Assyrian communities from their homes in Ninewah and resettling Kurdish communities to these localities, as well as to Kirkuk, often by force.¹² They also have employed a “Kurdistani” citizenship regime in the effort to incorporate non-Kurdish citizens into their expanded territories, and have provided basic services, electricity, and

security to local populations. More recently, and as part of the anti-ISIS campaign, the KRG has organized and trained local militias from Shabak, Assyrian, Turcoman, and Yezidi communities, with the aim of subsuming them into its peshmerga ministry.

In many ways, this aggressive strategy has worked: the KRG has enhanced its external patronage and ability to influence energy processes, while realizing some development outcomes inside the Kurdistan Region. Recognized as a global energy player, Masoud Barzani negotiates with major IOCs, greets foreign dignitaries like a head of state, and attends the Davos Forum. Since 2007, the KRG has signed over 40 oil contracts representing fifteen different countries and has realized over \$3 billion in foreign direct investment. It has also used about \$5.85 billion in oil-generated revenues for projects in the Kurdistan Region, including payments to ministries and the purchase of fuel.¹³ These trends have improved the living standards of most populations in the Kurdistan Region. By July 2014 the region had nearly full electricity daily, a functioning infrastructure, security forces, dozens of new universities, and a generous social welfare system apart from Baghdad.

Over time, economic opportunities and stability in the Kurdistan Region have influenced other Iraqis and encouraged new avenues of cooperation. Erbil had also become a commercial magnet for anti-Maliki, pro-Turkish Sunni Arabs and some secular Shi'a officials. Iraqi Arab businessmen migrated to the Kurdistan Region to work, conduct conferences, vacation, or take refuge. Additionally—as Maliki alienated Sunni Arabs, as Erdogan sought a Sunni orbit in Iraq, and as other Iraqi provinces demanded decentralization—Barzani assumed the role as a political arbiter, hosting meetings and negotiating different “Erbil Agreements” among Iraqi political parties. For instance, after the Sunni Arab protests against Maliki, Barzani sponsored a ‘national initiative’ in Erbil attempting to bring leaders of all Iraqi political parties and quell the crisis.¹⁴

The KRG has also extended its leverage outside its official borders.

The KRG has further extended its leverage outside its official borders. Although Kurdish influence in the disputed territories has waxed and waned since 2005, by 2014 Kurdish parties had regained majority representation on both the Mosul and Kirkuk councils.¹⁵ The KRG’s ability to do what the Iraqi government could not—provide jobs, security, and electricity—has influenced non-

Kurdish communities in the territories, some of whom prefer to be part of the Kurdistan Region (or to have their own autonomous regions) rather than the dysfunctional Iraqi state. The region’s economic influence and Barzani’s alliance with Erdogan has also helped bridge relations with former Mosul governor

Atheel al-Nujaifi, which has encouraged cross-governorate energy and commercial deals.

Moreover, since the ISIS onslaught and withdrawal of the ISF from the disputed territories, the Kurdish peshmerga has asserted de facto control over additional disputed lands, including Kirkuk city. As a result, the KRG now controls key oil fields, assets, and the only functioning pipelines in Kirkuk that are essential to exporting oil through the northern energy corridor to Turkey. Although the KRG is working with Iraq's North Oil Company and acting mainly as a 'facilitator' of Kirkuk oil under the current oil agreement with Baghdad, its ability to secure the disputed territories and northern pipeline infrastructure is critical, particularly since ISIS remains embedded in Mosul, which prevents repair and use of the second line of the ITP.

Western IOC and foreign government support have made securing these sensitive oil assets, and the resources and territories tied to them, possible. When ISIS threatened Erbil in July 2014, Barzani effectively used his international clout and Washington lobby to gain access to foreign military and humanitarian aid, despite his initial claims of having no interest in fighting ISIS. With the support of the anti-ISIS Coalition, comprised of about 60 countries, the KRG has received weapons through Baghdad and peshmerga training from the governments of Germany, Italy, Albania, the United Kingdom, Czech Republic, France, and the United States, with logistical assistance from Canada. As Kurdish peshmerga act as Coalition boots-on-the-ground, some members of the U.S. Congress have also called to provide the KRG and Sunni Arab tribes with direct and/or heavy weapons, bypassing Baghdad altogether.¹⁶

...But Not Enough for Secession

While the KRG has effectively asserted its economic, political, and territorial interests in Iraq and increased its internal sovereignty, it has stopped short of secession. Why? The KRG has strong international support, energy sector development (including its own pipeline) and de-facto control over key Iraqi oil infrastructure, an ally in Ankara, a strong sense of nationalism, and a lack of commitment to the Iraqi state. It has also realized gains from its pipeline exports; by September 2014, the KRG had exported 13.7 million barrels of oil to Turkey with total revenues of \$1.3 billion, which excludes unaccounted trucked and smuggled oil to Turkey and Iran.¹⁷ Kurdish officials have recently confirmed that by March 2015, KRG exports reached nearly 550,000 bpd, including Kirkuk oil,

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and could increase to 850,000 bpd by December 2015.¹⁸ Further, Kurdish peshmerga have become essential partners in the international campaign against ISIS, which assures the KRG necessary security assistance to consolidate its territorial reach.

Despite these opportunities, several dynamics prevent Kurdish secession and limit the KRG's political leverage. For one thing, the KRG is not a sovereign entity. It lacks sufficient internal Iraqi support and a self-sustaining economy, is bound by regional geopolitics, and continues to undergo its own internal power struggles.

Lack of Sovereignty—Internal and External

The Kurdistan Region is not a sovereign entity. It may have greater autonomy and influence political and economic processes in Iraq, but it cannot fully leverage outcomes and override Iraq's sovereignty, no matter how weakened the Iraqi state may be. These legal and political realities constrain the Kurdish goal of economic independence, which in turn have checked political ambitions of statehood. After more than a decade of energy sector development, the KRG still remains financially vulnerable and dependent on Baghdad for nearly 95 percent of its revenues, which are derived from Iraqi oil sales largely concentrated in southern Iraq.

The KRG's export gamble with Turkey has also failed to deliver the outcomes it expected. In many ways, it has backlashed on the region's financial stability and economic viability. For instance, immediately after the KRG circumvented Baghdad and exported its crude via pipeline to Turkey, the Iraqi government retaliated by filing litigation against Ankara and its state-run pipeline operator, Botas, at the International Chamber of Commerce (ICC) to prevent independent exports and sales. Baghdad also stopped paying the Kurdistan Region's budget—a move that has helped cripple the local economy, alongside the KRG's fiscal mismanagement and corruption.¹⁹ Although the KRG continues to sporadically sell its crude apart from SOMO at purportedly discounted prices to buyers under opaque circumstances—it has failed to de-risk continuous, large-scale, independent exports or secure an autonomous revenue source. The KRG's main shipping company recently announced its refusal to purchase or ship additional Kurdish crude in return for being removed from the Iraqi government's blacklist.²⁰

Other KRG policy choices have undermined potential economic autonomy. By prioritizing fast-track hydrocarbons development and using the oil card to politically leverage Baghdad, the KRG bypassed necessary institution building that could have shielded the region from the ill effects of rentierism. By late 2014, after a decade of developing its oil sector, the KRG still had no reserves in its government banks or a sovereign wealth fund to sustain the region's future.²¹

Instead of creating a real private sector economy, the KDP and PUK expanded their patronage networks by bloating civil servant jobs, which currently represent about 72 percent of KRG's annual budget, or \$720 million monthly. To date, the KRG's debt is over \$22 billion. Although the Iraqi Kurdish Parliament recently passed an Oil and Gas Revenue Fund law tasked with providing oversight and accounting of KRG oil revenues and IOC sign-on bonuses, issues of assuring transparent oil sales and fair distribution of revenues have still not been addressed.²²

The consequences on average local populations and businesses have been economically devastating. Many Kurdish households have not received salaries in months, markets have slowed down significantly, IOCs and contractors have not been paid, companies have gone bankrupt, and new investment has virtually halted. Educated and disaffected youth are seeking to leave the Kurdistan Region, a reversal of trends that have attempted to enhance local human capital. These pressures have been compounded by the unexpected costs of anti-ISIS military operations, massive refugee flows, and enhanced border security—all of which have destabilized the region and severely tarnished the KRG's brand as the "Other Iraq."

Lack of Iraqi Support

Kurdish political leverage is further obstructed by lack of support inside Iraq. Although Kurdish officials have successfully established a cohort of influential U.S., British, and international patrons, they have failed to gain necessary backing for their oil, revenue, and territorial demands in the Iraqi parliament or the provinces. Iraqi Arabs, Sunni and Shi'a alike, are critical of what they perceive as unilateral action by, and a privileged position of, the KRG in Iraq since 2003.²³ The general consensus is that the Kurds are seeking too much from Iraq without contributing their fair share to the national budget. Iraqi Shi'a—allies of the KRG since 2003—have also recently criticized the Kurds for supporting Sunni Arabs and former Ba'athists, whom they argue have taken refuge inside the Kurdistan Region and are complicit in tacitly supporting ISIS, at least initially.

Nor has the KRG been able to effectively leverage the powerful Sunni Arab streets. Despite Barzani's ability to initiate conferences in Erbil, and his pacts with some Sunni Arab leaders, most Sunni Arabs, including members of the Mosul council and the Iraqi oil and energy commission, oppose the KRG's territorial and resource claims as well as Nujaifi's ties to Barzani, Turkey, and Sunni Islamist parties.²⁴ Even Nujaifi, who is being investigated by the Iraqi government for potentially allowing ISIS to enter Mosul last June, has given no clear support to Barzani's claims to the Ninewah Plains. Nujaifi may even pose a challenge in the future if he seeks to establish a Sunni Arab Ninewah Region

with Erdogan's support. Local dynamics, as well as the precarious nature of the 1,000 kilometer border the KRG now shares with ISIS and Sunni Arab communities, will further undermine the 'facts on the ground' the KRG has established through territorial expansion and demographic engineering.

These challenges have not changed under the Abadi government and his Kurdish-friendly oil minister Abdul al-Mahdi—both of whom have made important efforts to reach out to the KRG since assuming their positions in September 2014. The temporary 'oil for revenue' deal negotiated between Erbil and Baghdad in December 2014 was a necessary agreement by the cash-strapped KRG and Iraqi government to produce and facilitate the export of Kurdish and Kirkuk crude through the ITP in return for budgetary payments by Baghdad. While the agreement does not directly challenge the validity of Kurdish PSCs—a key contention in previous disputes between Baghdad and Erbil—it affirms Iraqi sovereignty over oil exports by leaving SOMO in charge of exports and marketing. Under the agreement, oil transported through the ITP from Kirkuk to Ceyhan is officially to be sold as Kirkuk oil and not Kurdish crude, with revenues paid directly to Baghdad. Key issues of resource control and payments remain unresolved, however, leaving the agreement tenuous at best.²⁵

In fact, as Abadi seeks to bridge sectarian differences and appease Sunni Arabs, he is likely to assert a more Iraqi nationalist position that will keep Kurdish ambitions in check. Even if Abadi fails to bridge the Sunni-Shi'a divide in the near future and is challenged by hardliner Shi'a factions in his Dawa party, Kurdish energy and economic ambitions will likely be hindered by ISIS, Sunni Arabs, and other local communities who regard Kirkuk and Mosul as an integral part of Iraq and/or a distinct Sunni Arab or Kirkuk special status province.

The ability of the KRG to leverage its interests has been further challenged by the ISIS threat.

The ability of the KRG to leverage its interests has been further challenged by the ISIS threat and anti-ISIS campaign. Although the KRG is hosting tens of thousands of Sunni Arab displaced persons, which represents about 20 percent of the total Sunni Arab population in Iraq, and is coordinating with a Sunni Arab force being trained in Erbil, Arab-Kurdish cleavages have become more prevalent. Some Iraqi Arab officials have accused the Kurdish peshmerga of implementing a "scorched earth policy under the pretext of fighting ISIS" that has led to the displacement of Arab villagers.²⁶ Others have harshly criticized the peshmerga for preventing Sunni Arabs from returning to their homes in areas cleared of ISIS terrorists. Anti-Arab sentiments have resurfaced inside the Kurdistan Region, mainly in reaction to the KRG's security threats, financial crisis, and

refugee spillover. These trends have not only challenged the region's stability but undermine its mark as the "Arab tourism capital of the Middle East."

Internal Power Struggles

Attempts to build a cohesive and stable region have been further limited by internal power struggles. Despite the KRG's reunification in 2006—joining together the two main Kurdish political parties, the PUK and the KDP, into a shared government after twelve years of separation—the Kurdistan Region is divided over leadership, governance, hydrocarbons policy, and relations with Baghdad, Ankara, and Tehran.²⁷ Key ministries, particularly the security, peshmerga, and finance ministries, remain under separate KDP and PUK party control. These internal divisions have increased with the weakening and fragmentation of PUK power, emergence of Gorran as a political opposition and now part of the government, reactions against Barzani family power and extension of Masoud's presidency, the KRG budget crisis, and the anti-ISIS campaign. Even though Gorran has secured the post of Ministry of Peshmerga Affairs, it has minimal influence over final decision-making regarding KDP and PUK peshmerga, which remains controlled by party leaders in distinct localities.

The salience of local, tribal, and party interests undermines KRG leverage in Iraq. For instance, Barzani's attempt to pass a no-confidence vote against Maliki in 2012 failed because the Iraqi President at the time, Jلال Talabani, and some PUK leaders, influenced by Iran, would not support it. Similarly, during Erbil-Baghdad oil disputes, some non-KDP Kurdish representatives in the Iraqi parliament challenged Barzani's position by informing the Iraqi oil ministry of KRG oil smuggling (which continues today), and demanded greater transparency in Kurdish hydrocarbons development as a condition of payment to the KRG.

Kurdish parties also continue to bicker over how to realize economic autonomy, which reflects different attitudes toward Baghdad and Ankara. In contrast to the KDP's high-risk attempt to leverage Kurdish interests by circumventing Baghdad and fully tying the KRG's financial and energy interests to Turkey, some PUK and Gorran officials have argued pragmatically that the KRG could realize greater revenues from the Iraqi budget than contentious and uncertain Kurdish exports, while seeking an alternative to a SOMO-controlled export policy.²⁸ These same critics are now pressuring the Iraqi Kurdistan Parliament (IKP) to refocus the Region's priorities on governance and transparency, and are not making claims to Kurdish independence.²⁹ Still others have reacted to the Region's endemic corruption and the opaque nature of its energy sector by calling for the resignation of the KRG Minister of Natural Resources, Dr. Ashti Hawrami.³⁰

The KRG's political fragmentation has also affected its ability to fight ISIS and secure its expanded territories. While Kurdish peshmerga forces have mobilized to defend their homeland and act as reliable Coalition partners, they do not operate under a unified command structure. Party peshmerga are allied with different regional and Iraqi actors that weaken their capabilities as a national force. The KDP is coordinating with some Sunni Arab tribes, Nujaiifi's Sunni forces, and the ISF in Ninewah, while the PUK is fighting alongside Iranian Quds officers, Shi'a militias, the PKK, and ISF in other areas.³¹ While Barzani has affirmed the KDP will not accept Shi'a militias in the territories, some PUK officials have argued that it is 'normal' to fight alongside them. Similarly, while Barzani argues that the Kurds are not receiving sufficient weapons from Baghdad—and is using this claim to seek heavy weapons directly channeled to the peshmerga by its international allies—the PUK accuses the KDP of stockpiling weapons and keeping arms from other Kurdish forces to fight ISIS, particularly in Kirkuk. These power struggles, as well as the international commitment to Iraqi sovereignty, have negatively affected the KRG's ability to directly secure weapons from the U.S.

Kurdish parties are also using the anti-ISIS campaign and the KDP's initial withdrawal from Ninewah (which helped facilitate the Yezidi massacre) to reinforce their own popular support and undermine Barzani. PKK forces remain in Sinjar, where they are attempting to create a Yezidi canton under their influence. The KDP, in turn, has arrested a leading Yezidi leader Haider Shasho, tied to the PUK for establishing the Yezidi Shingal Protection Forces in Ninewah (Sinjar) outside of the KDP's control. These local tensions reveal the underlying competition between the KDP and the PKK to lead the Kurdish nationalist movement, as well as the liability that Turkey now plays for Barzani in this nationalist competition. In particular, Erdogan's refusal to militarily support the Iraqi Kurds and Kobani during the ISIS onslaught enhanced recognition of the PKK's Syrian affiliate, the Democratic Union Party (PYD). Other setbacks in the Kurdish 'peace process' in Turkey have all raised pro-PKK sentiments among most Kurdish nationalists across borders. These dynamics are unlikely to lead to an internal Kurdish revolution or full scale civil war any time soon, but they indicate the changing opportunities, alliances, and tensions to cohesive and fully autonomous KRG decision-making in the future.

Between Ankara and Tehran

Instead of becoming more autonomous, the KRG has become more dependent on regional states, particularly Turkey and Iran. This trend reflects the Kurdistan Region's landlocked condition, near total reliance on hydrocarbons' revenues, growing rentierism, security interests, and internal power struggles. For instance,

approximately 85 percent of the KRG's total "trade activities" comprise imports from Turkey—paid for with revenues from Baghdad. KRG exports represent only about five percent of these activities, and mainly include imported cigarettes and alcohol from Turkey. KRG dependency on Turkey has deepened with the so-called 2013 Erbil–Ankara "energy agreement," whose exact terms remain opaque but which assure Turkish economic interests and influence in the Kurdistan region.³² In fact, in the effort to circumvent Baghdad, the KRG has essentially become a client state of Turkey, fully reliant on Ankara's pipeline transit route, payment mechanisms, oil storage facilities, and over \$2 billion in loans.

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The Erbil–Ankara relationship has not, however, replaced necessary state-to-state ties that exist between Ankara and Baghdad. Any benefits the KRG gained from the Erdogan–Maliki rift and Iraq's sectarian divide, particularly in pushing independent oil exports, have been checked since Abadi assumed the premiership and as Erdogan became less interested in co-conspiring against Baghdad. Ankara's shift was also influenced by the ongoing Syrian civil war, the anti-ISIS campaign, and its deepening threat perceptions of PKK empowerment and desire to safeguard its own territorial integrity. As a result, instead of bypassing Baghdad for the KRG, Turkey has maximized its energy, commercial, and political interests throughout Iraq while ascertaining its commitment to Iraqi state sovereignty. In some ways this calculation has succeeded. Ankara has become the biggest beneficiary of the 2014 Baghdad–Erbil oil deal through increased Iraqi oil exports and tariff revenues, as well as plummeted oil prices.

As Turkey ascertains its energy interests in Iraq and makes gains inside the Kurdistan Region, it has also secured a foothold in the disputed areas of Mosul and Kirkuk. Turkish penetration reflects Erdogan's ongoing effort to forge a sphere of influence in Iraq and the greater Middle East based on a shared Sunni identity that can weaken ethnic cleavages, encourage economic cooperation and stability, and counter Shi'a influence. This effort has strengthened alongside the ISIS threat and anti-ISIS campaign. In addition to his ties to particular Iraqi Sunni Arab officials, Erdogan has lent support to a Sunni Arab national guard and a Sunni Arab Ninewa province under Atheel al-Nujaifi's leadership in coordination with Baghdad and Barzani's KDP peshmerga forces. Similarly in Kirkuk, Erdogan has reached out to Kurds, Sunni Arabs, and Sunni Turcoman (or Turkmen, the third-largest ethnic group in Iraq) communities—but not Shi'a Turcoman groups—while affirming his commitment to the territorial integrity of Iraq.

Iran has also enhanced its footprint in the Kurdistan Region. Although ties between Iraqi Kurds and Tehran have been ongoing for decades, since 2003 they have become part of official economic, security, and political relations shaped by the KRG's legal autonomous status, particularly in Suleymaniya province. Just as Ankara has turned to Barzani and his KDP to gain local access and assure its strategic interests in Iraq, Tehran has done so through key PUK officials in the Kurdistan Region and Baghdad. For instance, prior to and after the 2013 provincial council elections, in which the PUK lost seats in Suleymaniya, Iran had frequent political exchanges between leading PUK, KRG, and Iraqi officials to ascertain PUK representation in the IKP and Iraqi government in Baghdad, particularly after Talabani's departure. Kurdish officials in Suleymaniya also have become increasingly reliant on Iran for business and financial support, alongside the lucrative oil smuggling operations. During the KRG's budgetary crisis, for instance, the head of the Suleymaniya Chamber of Commerce, Sirwan Mohammed, urged Iran to help boost border trade.³³ These commercial ties could further strengthen if sanctions against Iran are removed.

Iran's influence in the Kurdistan Region has increased since the ISIS threat and as part of the countering ISIS campaign. In contrast to Ankara, which resisted military engagement against ISIS, Tehran immediately deployed its Quds forces to the disputed territories in Diyala and Kirkuk provinces, as well as other parts of Iraq, to fight ISIS alongside the ISF, Iraqi Shi'a militia (popular mobilization forces), PUK peshmerga, and PKK—in areas not privy to Coalition airstrikes. The problem, however, is that while Kurds appreciate Iranian military assistance in expelling ISIS from its safe-havens, they are increasingly concerned about Iranian-backed Shi'a militias operating outside government structures and their potential to assert greater authority if left unchecked. Although Kurdish peshmerga insist on safeguarding Kirkuk and other territories they consider part of the Kurdistan Region, Shi'a militias are remaining to protect Iranian strategic interests and what they regard as Iraqi lands.³⁴

These local dynamics have become further complicated with the emergence of other ethnic, sectarian, and local militias in northern Iraq's disputed territories. The proliferation of militias that can be easily penetrated by regional states is leading to the "Lebanonization of Iraq" with potential to fuel proxy conflicts. It not only represents the hyper-fragmentation of the country and deep distrust between communities, but the increasingly complex arena in which sensitive issues like Kurdish territorial, energy, and financial demands can be leveraged or negotiated.

Conclusion

Since 2003, the Kurdistan Region has used its commercial opportunities and hydrocarbons resources to leverage political processes, bargain with state leaders, and become a player in the international energy market. The KRG has also benefitted from the failures and instability in the rest of Iraq to influence change. In pressing forward with its ambitious energy plans despite Baghdad's resistance, the KRG has realized some political and economic aims. The region is self-functioning, at least in part, and has used its economic influence to forge political alliances in Iraq that were unthinkable just a decade ago.

The Kurdistan Region is not ready for statehood anytime soon.

Yet, the Kurdistan Region is not ready for statehood anytime soon—at least not a stable and prosperous one inclusive of expanded territories and resources. The KRG may have enhanced autonomy since 2003, but its ability to advance Kurdish nationalist aims is shaped by its land-locked, quasi-state condition. Financially dependent on Baghdad, situated between powerful states with Kurdish populations of their own, and embedded in party patronage networks, the KRG is continuously deal-making, negotiating, and compromising its nationalist interests to assure its stability and prosperity. These realities of its quasi-state existence often mean choosing to ally with regional governments over their ethnic brethren across borders. Relations between regional states and Baghdad also continue to affect the KRG's leverage, leaving Erbil in the midst of a larger geopolitical power play and making it a vested actor seeking to maximize its interests in regional capitals.

As long as Iraq remains unstable and Baghdad is unable to secure its northern territories, the KRG will continue to engage in the politics of opportunism. By expanding its territorial reach and claims to resources, it will attempt to leverage Baghdad and secure concessions on revenues, territories, and hydrocarbons exports. Yet in the hyper-fragmented Iraqi state where local militias have proliferated across and within religious and ethnic communities, and where distrust between groups and claims for their own autonomy have become salient, the KRG will have to extend its leverage beyond Baghdad and into the provinces and localities. It means that efforts to unilaterally change borders or independently export oil, particularly from sensitive disputed areas such as Mosul or Kirkuk, will require more political concessions, cooptation, and control of local communities in these territories. These efforts may bring the KRG gains in some areas, particularly if Sunni Arab territories remain wastelands. Yet they can also intensify local conflicts, particularly if Kurdish

leaders unilaterally change borders and claim resources without negotiating local power and revenue-sharing agreements.

Additionally, although KRG officials have insisted that they would not become part of Iraq's sectarian conflict, their direct alliances with Turkey and Iran, and attempts to use regional states and non-state actors to strengthen party interests, places them directly in the midst of it. Barzani's close ties to Erdogan and the PUK's alliance with Iran has not only left the region more exposed to geopolitical manipulations but has checked its ability to autonomously maneuver apart from regional state interests. Securing Kurdish aims in the weakened and unstable Iraqi state is not only tied to more complex local actors, but intrusive regional states competing for influence across regions: Barzani with Turkey, Sunni Arab leaders, and Sunni Arab tribes, and the PUK with Iran, Baghdad, and Shi'a militias.

What are the implications for the United States and outside actors seeking to stabilize the region? The concern about Kurdish secession from Iraq is misplaced because it assumes and attributes more political leverage to the KRG than it effectively has. The key issue is not whether the Kurdistan Region has an incentive to remain part of Iraq or whether its populations regard themselves as Iraqi, but the legal, financial, and geopolitical conditions that secure and sustain the region. Additionally, although the KRG is an important U.S. and Western ally, its over-riding interests are not to strengthen the Iraqi state, but to take advantage of its weakness. As long as opportunities exist to advance and leverage Kurdish nationalist interests—whether through ungoverned spaces, international encouragement, external patronage, or military support—the KRG will likely continue its efforts to create new facts on the ground and enhance its autonomy.

The United States and Coalition allies should understand the local and nationalist dynamics driving Kurdish behavior and the implications of external support to the KRG on regional stability. They should be aware that arming the Kurds without conditions or monitoring will create second- and third-order consequences, which under current conditions will likely encourage fragmentations between Kurdish groups and intra-communal rivalries. The United States and its allies should also understand that the zero-sum mentality that shapes political behavior in Baghdad, Erbil, and the Iraqi provinces means that balanced and sustained negotiation between groups is unlikely. A more probable outcome is brinkmanship, deal-making, and conflict underpinned by xenophobic nationalisms, sectarianism and economic opportunism.

Notes

1. In this article, reference to “quasi-state” differs from the Jacksonian sense, where a political entity has external sovereignty but limited or no internal sovereignty. Denise Natali, *The Kurdish Quasi-State: Development and Dependency in Post-Gulf War Iraq* (Syracuse: Syracuse University Press, 2010); Pål Kolstø, “The Sustainability and Future of Unrecognized Quasi-States,” *Journal of Peace Research* 43, no. 6 (2006).
2. For an excellent analysis of the 1970 agreement see Edmund Ghareeb, *The Kurdish Question in Iraq* (Syracuse: Syracuse University Press, 1981). Negotiations ultimately broke down over control of the oil-rich province of Kirkuk.
3. Kenneth Katzman, *Iraq: Politics, Elections, and Benchmarks* (CRS Report No. RS21968) (Washington, DCL Congressional Research Service; November 18, 2009), p. 9, <http://fpc.state.gov/documents/organization/134293.pdf>.
4. U.S. Energy Information Administration, “Iraq” April 2013, <http://www.eia.gov/countries/cab.cfm?fips=IZ>. About 4 billion barrels of proven reserves are located in the Kurdistan Region, although the KRG asserts it has 45 billion barrels of unproven reserves. The KRG’s 45 million barrel figure includes fields in the disputed territories, namely Ninewa and Kirkuk, which are legally under the jurisdiction of the federal government, although currently under KRG de facto control.
5. The ITP, or Kirkuk–Ceyhan pipeline was constructed in 1970 and comprises two pipelines with a nameplate capacity of about 1,600,000 bpd. One pipeline runs from Kirkuk through the Kurdistan Region (to which the KRG blocked from Baghdad’s use and connected its pipeline). The other runs through Mosul and is inoperable due to terrorist attacks.
6. Some articles of the constitution indicate that the federal government has ultimate authority over hydrocarbons, while others give priority to regional and provincial governments, particularly where conflict exists between federal, regional and provincial authorities. See Joseph Bell and Cheryl Saunders, “Iraqi Policy - Constitutional Issues Regarding Federal and Regional Authority, Memorandum,” *Iraq Revenue Watch*, July 7, 2006, <http://www.iraqrevenuewatch.org/reports/MEMORANDUMConstitutional%20Interpretation.DOC>.
7. The law establishes different Kurdish parastatals to manage, export and market Kurdish crude, including a Kurdistan National Oil Company: Ministry of Natural Resources, Kurdistan Regional Government, “Oil and Gas Law of the Kurdistan Region,” 2007, p. 7, http://cabinet.gov.krd/uploads/documents/Kurdistan%20Oil%20and%20Gas%20Law%20English__2007_09_06_h14m0s42.pdf.
8. Kurdistan Board of Investment, “Trade & Industry,” http://www.kurdistaninvestment.org/trade_industry.html.
9. Author interviews in Suleymaniya and Erbil, Kurdistan Region of Iraq on April 27, 2014. See also “Annual Financial Report 2013,” Ministry of Natural Resources, Kurdistan Regional Government, <http://mnr.krg.org/index.php/en/the-ministry/mnr-financial-reports/432-2013-annual-financial-report>. The first page of the report quotes KRG Minister of Natural Resources, Dr. Ashti Hawrami, “The export of natural gas and oil is our legitimate right.”
10. Author interview with Mohammed Towfiq, Gorran spokesman, in Suleymaniya on April 26, 2014. Instead, Gorran continued to target corruption, transparency of oil sales, and fair distribution of revenues to the Kurdish people.

11. For a detailed analysis of different disputed areas and where Kurdish influence changed from 2003–2010, see Sean Kane, “Iraq’s Disputed Territories,” April 4, 2011, United States Institute of Peace, www.usip.org/publications/iraqs-disputed-territories.
12. Sean Kane, “Iraq’s Disputed Territories: A View of the Political Horizon and Implications for U.S. Policy,” *Peaceworks* no. 69, United States Institute of Peace, March 2011, http://www.usip.org/sites/default/files/PW69_final.pdf; “Assyrians Prevented by Kurds from Voting in North Iraq,” *Assyrian International News Agency*, January 31, 2005, <http://www.aina.org/releases/20050131003708.htm>; and “Iraq and the Kurds: The Brewing Battle over Kirkuk,” *Middle East Report* no. 56, International Crisis Group, July 18, 2006, http://www.crisisgroup.org/~media/Files/Middle%20East%20North%20Africa/Iraq%20Syria%20Lebanon/Iraq/56_iraq_and_the_kurds_the_brewing_battle_over_kirkuk.pdf.
13. The Ministry of Natural Resources states that it created a gross revenue of about \$9.7 billion and grew expenditure of about \$8.8 billion during this period. The United Arab Emirates (UAE) has the largest foreign direct investment in the Region, of \$2.5 billion, followed by Turkey and, to a lesser extent, Iran. Ministry of Natural Resources, Kurdistan Regional Government, *Financial Report, 2013*, <http://mnr.krg.org/index.php/en/the-ministry/mnr-financial-reports/432-2013-annual-financial-report>.
14. Bushra Al-Mudhafer, “Barzani Plans to Host Summit as Political Crisis Worsens,” *al-Monitor*, February 21, 2013, <http://www.al-monitor.com/pulse/originals/2013/02/erbil-meeting-maliki.htm>.
15. Ahmed Ali, “Provincial Election Outcomes: The Political Fragmentation of Iraqi Sunnis and Shi’a,” Institute for the Study of War, June 28, 2013, <http://iswiraq.blogspot.com/2013/06/provincial-election-outcomes-political.html>; and Katzman, *Iraq: Politics, Elections, and Benchmarks*. Sunni Arabs re-entered the political process in the 2009 provincial council elections and regained majority seats on the Mosul council. In the 2013 Mosul elections, however the Kurdish Brotherhood and Coexistence list won 11 out of 39 seats while the Sunni Arab Mutahidun party won 8 seats. In the 2014 elections in Kirkuk, the PUK official Najmaldin Kerim won the governorship with 75 percent of the vote.
16. On November 20, 2014, Representative Ed Royce (R-Calif) introduced House Resolution 5747 in the effort to directly arm the Kurds in the fight against ISIS. The bill had 31 co-sponsors but failed to be approved. See Julian Pecquet, “Will Congress Arm the Kurds?” *Al-Monitor*, March 25, 2015, <http://www.al-monitor.com/pulse/originals/2015/03/congress-arm-kurds-iraq-legislation.html>.
17. “Kurdish oil revenue exceed \$1B, Turkey’s Halkbank holds \$400M share,” *Daily Sabah*, September 26, 2014, <http://www.dailysabah.com/energy/2014/09/26/kurdish-oil-revenue-exceeds-1b-turkeys-halkbank-holds-400m-share>.
18. According Ms. Eshwaq Jaf, Kurdish member of the Iraqi Council of Representatives, under the recent oil-revenue agreement between Baghdad and Erbil, the KRG has increased its exports of oil through the Kurdish pipeline and ITP to nearly 550,000 bpd. “Eşwaq Jaf: herimi kurdistan nezik debeyteweh ley henardekirdini 550 hezar bermil nowt” [in Kurdish], *Bas News*, March 31, 2015. <http://basnews.com/news/2015/03/31/%d8%a6%d9%87%e2%80%8c%d8%b4%d9%88%d8%a7%d9%82-%d8%ac%d8%a7%d9%81-%d9%87%d9%87%e2%80%8c%d8%b1%db%8e%d9%85%d9%89-%d9%83%d9%88%d8%b1%d8%af%d8%b3%d8%aa%d8%a7%d9%86-%d9%86%d8%b2%db%8c%d9%83-%d8%af%d9%87/>.

19. The Iraqi government claims that Turkey has violated the 2010 Pipeline Tariff Agreement (functioning and amended since 1973) and the 1946 Friendship Treaty. Baghdad also issued a complaint against the KRG in the Iraqi Federal Court. The budget dispute commenced months earlier, during the January 2014 draft budget discussions in the Iraqi parliament. The draft budget called for the KRG to contribute 400,000 barrels of oil per day to the Iraqi budget in order for the Kurdistan Region to receive its full 17 percent. Stricter conditions for payment also stemmed from the non-transparent nature of KRG oil exports, and complaints from the provinces about “unfair payments” to the KRG. Patrick Osgood, “Analysis: Iraq-Turkey treaty restricts Kurdistan exports,” *Iraqi Oil Report*, April 18, 2014, <http://www.iraqoilreport.com/politics/oil-policy/analysis-iraq-turkey-treaty-restricts-kurdistan-exports-12047/>.
20. Lando Ben and Patrick Osgood, “Oil shipper drops Kurdistan business under legal pressure,” *Iraqi Oil Report*, April 1, 2015, <http://www.iraqoilreport.com/news/oil-shipper-drops-kurdistan-business-under-legal-pressure-14324/>.
21. Harem Karem and Kamal Chomani. “The KRG Economy: Booming or Dooming?” *The Kurdistan Tribune*, March 8, 2015, <http://kurdistantribune.com/2015/krg-economy-booming-or-dooming/>; and Shwan Barzini, “KRG’s Central Bank Director: There is money in public banks, but no reserves,” *BasNews*, February 26, 2014. <http://www.ekurd.net/mismas/articles/misc2014/2/state7783.htm>
22. Patrick Osgood and Rawaz Tahir, “Kurdistan Passes Oil Accountability Law,” *Iraqi Oil Report*, April 3, 2015; Honar Hama Rasheed, “Missing millions? The mystery of Iraqi Kurdistan’s border taxes,” *Niqash*, April 2, 2015, <http://www.niqash.org/articles/?id=3626>; Karem, Harem and Kamal Chomani, “the KRG Bond: A Double-Edged Sword,” *The Kurdistan Tribune*, July 3, 2015. <http://kurdistantribune.com/2015/the-krg-bond-a-double-edged-sword/>. According to the KRG Finance Minister and vice chairman of the IKP Finance Committee, no one really knows where the nearly \$1 trillion from border revenues over the past several years have gone.
23. “7 Oil-producing Provinces Agree to Demand Parliament to Return the Government Budget,” *Shafaaq News*, January 25, 2014, <http://www.shafaaq.com/en/business/8695-7-oil-producing-provinces-agree-to-demand-parliament-to-return-the-government-budget.html>.
24. Harith Hasan, “KRG risks isolation in Iraq by exporting oil through Turkey,” *Al-Monitor*, May 30, 2014, <http://www.al-monitor.com/pulse/originals/2014/05/iraq-erbil-decision-export-oil-baghdad-government-formation.html>.
25. Under the agreement the KRG is expected to export 250,000 bpd from its own oil and 300,000 from Kirkuk, in coordination with the North Oil Company, through the ITP to Ceyhan. In return Baghdad is expected to pay the KRG about \$500 million monthly.
26. Mustafa Saad, “Nuwab Nineweh: ta’irat al-tahaluf al-dawli qasafat al-asr al-hariba min aski al-mosul” [in Arabic] *Sumaria TV*, January 21, 2015, <http://www.alsumaria.tv/news/122515/نواب-نينوى-التحالف-طائرات-نينوى-المسول>.
27. Some Gorran parliamentarians, including Ali Hama Salih, oppose any extension of Barzani’s presidency for a third term past August 2015. A fist fight broke out in the Iraqi Kurdistan Parliament between a Gorran representative and two KDP members over this sensitive issue. “Planardanekey-i Ali Hama Salih bey sulehi hezbayeti çareser dekret” [in Kurdish], *Awene News*, March 31, 2014, <http://www.awene.com/article/2015/03/31/39976>; and “Peyman Ezedin: rudawekeh-yi perleman peymandeleyt nek ley

- naw perleman ley perwayezîşda natwanreyt bas ley seroki herim bekret” [in Kurdish], *Awene News*, March 26, 2015, <http://awene.com/article/2015/03/26/39885>.
28. Author interview with PUK representative in Suleymaniya, Kurdistan Region of Iraq on April 25, 2014. This representative stated, “We do not agree with the KDP oil policy; it is a personal agreement between Nechirvan and Erdogan. Barzani will pay for this.” He added, “If we take our percentage [from Baghdad]...we are getting more than \$12 billion [annually], which is better than if we send out our revenues by ourselves. We are getting 83 percent of Basra’s oil. They should make an agreement.”
 29. Author interviews in Erbil and Suleymaniya, Kurdistan Region of Iraq, April 24-27, 2014. One Gorran parliamentarian stated, “Other than mentioning smuggling the regional oil, neither officials nor citizens have a clue about how much oil is invested daily, how much is the net revenue and how it will be spent.” See also, “Parlemantariki yiketi: seydan neybiniman ley ser dahati newt heyâ” [in Kurdish] *Awena News*, March 14, 2014, <http://www.awene.com/article/2014/03/14/30513>; “Wezareti samaneh seroshtheykan!” [in Kurdish], *Sbeiy*, [http://www.sbeiy.com/\(S\(gtovbauasdekzc0gi30n125k\)\)/Detail.aspx?id=28336&LinkID;Kakayi,Bestun](http://www.sbeiy.com/(S(gtovbauasdekzc0gi30n125k))/Detail.aspx?id=28336&LinkID;Kakayi,Bestun). “PUK representative in Ankara against Kurdish oil Export to Turkey,” *Bas News*, January 12, 2014, <http://www.basnews.com/en/News/Details/PUK-representative-in-Ankara-against-Kurdish-oil-Export-to-Turkey/10166>;
 30. “Ley kobunewey-i emro dawayi dest ley kar keşaneweyi aşti hawrami kraweh” [in Kurdish], *Sharpres*, February 22, 2015, <http://www.sharpress.net/Direje.aspx?Jimare=28315>.
 31. “Hadi Al-Ameri Munza’j Min Kathira A’dad Al-beshmerka Fi Kirkik [Hadi Al-Ameri Disturbed by the Large Number of Peshmerga in Kirkik]”, [in Arabic] *Bas News*, February 10, 2015, <http://basnews.com/ar/news/2015/02/10/البيش-اعداد-كثرة-من-منز-عج-العالمي-هادي>;
 32. A key part of the deal stipulates that revenues from Kurdish crude oil sales would be deposited in the Turkish HalkBank, and not the Development Fund for Iraq (DFI), created by U.N. Security Council Resolution 1483 in 2003 as a branch of the Iraqi Central Bank held in the Federal Reserve Bank of New York. Halkbank is the same bank involved in the oil for gold smuggling scheme with Iran. Olgu Okumuş, “Turkey energy deal with KRG lacks transparency,” *al-Monitor*, January 8, 2014. <http://www.al-monitor.com/pulse/originals/2014/01/turkey-krge-energy-deal-oil-pipeline-agreement.html>.
 33. “Daily Brief: 22 April 2014”, *Insight Kurdistan*.
 34. Denise Natali, “Counting on the Kurds,” *Foreign Affairs*, April 22, 2015, <https://www.foreignaffairs.com/articles/middle-east/2015-04-22/counting-kurds>.